

Intercept Capital Fund

Monthly Letter

June 2007

Intercept Capital recorded a post-fee return of +0.5% for the month of June 2007. Since inception on 31 March 2004, the Fund has produced an annualised post-fee return of +8.1% compared with an annualised return from the UBS Australia Bank Bill Index of +5.9%.

Performance

The Fund returned +0.51% (after fees) during the month of June 2007. This compares with a benchmark rate of return of +0.50% for the month (UBS Australia Bank Bill Index).

Portfolio Composition

At end June, 74% of the Fund was invested in 27 companies the manager identified as being undervalued. The Fund also included short sales, on a beta adjusted basis, in 20 companies that the manager believed were overvalued which along with index securities, totalled 74% of the Fund.

	Based on Net Asset Value ¹	Based on Gross Asset Value ²
Long Investments	74.2%	30.0%
Short Sales	(73.9%) ³	29.8%
Cash	99.7%	40.2%
Total	100.0%	100.0%

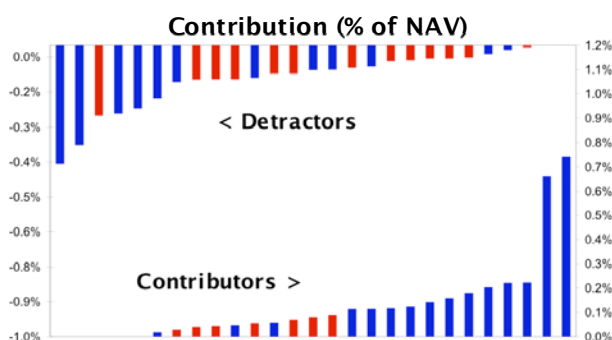
Note:

1. Net Asset Value basis shows long and short positions as being offsetting from a market risk perspective.
2. Gross Asset Value basis shows long and short positions as being additive from a market risk perspective.
3. Includes an index short position of 28.9%.

Security Selection

Strong returns from two long investments contributed to the positive return for the month; China Mobile Limited, a provider of mobile telecommunications in Mainland China and Komag Inc, that designs, manufactures and markets thin-film media (disks) for disk drives. Komag was the subject of a takeover bid near month end. The main detractors for the month were also long investments; ResMed Inc, a maker of sleep disorder products and Sepracor Inc, a research-based pharmaceutical company engaged in providing products prescribed principally by primary care physicians.

The graph below shows performance contributors and detractors on a % of NAV basis, excluding the impact of currency, with shorts shown in red and longs in blue.

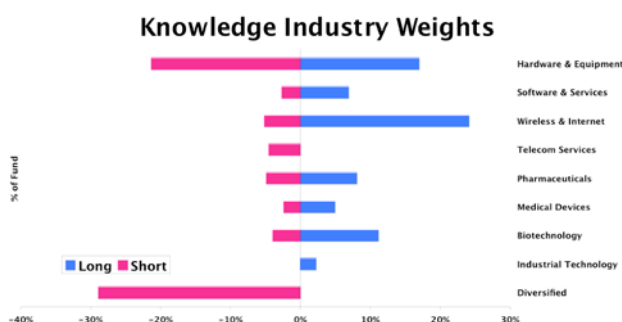


Note:

1. Not all holdings in chart were held for entire month.
2. Excludes negative contribution from index positions

Industry Structure

In June, the portfolio favoured Wireless & Internet, with lesser exposure to Biotechnology, Software & Services, Pharmaceuticals, Medical Devices and Industrial Technology. A sizable index short position was held in June, as well as net short positions in Telecom Services and Hardware & Equipment. The following table summarises the structure as at 30 June 2007:



Industry Overview

World sharemarkets were slightly weaker in June; the knowledge industries were characterised by weakness in health care and strength in telecommunications. The computing industry showed modest improvement.

Internet usage continues to grow apace. According to JupiterResearch there will be 1.5 billion people with Internet access in 2011, with the biggest growth in the online population occurring in Brazil, Russia, India and China.

Taking a swipe at Microsoft, Marc Benioff, Chairman and CEO of Salesforce.com has described the internet as the new operating system; it is building communities of innovation and attracting developers of future "killer apps".

Phone technology continues to develop; T-Mobile in the US is now offering phones that will "hand over" calls that are already in progress from Wi-Fi to cellular networks.

Unit Prices (Inception 31 Mar 2004)

	Application Price	Net Tangible Assets	Redemption Price	Distribution
30 Jun 2007	\$0.9307	\$0.9278	\$0.9250	\$0.0431
31 Dec 2006	\$0.9978	\$0.9948	\$0.9918	
30 Jun 2006	\$0.9161	\$0.9134	\$0.9107	\$0.0185
30 Dec 2005	\$0.8758	\$0.8732	\$0.8706	
30 Jun 2005	\$0.9568	\$0.9525	\$0.9482	\$0.0000
31 Dec 2004	\$0.9180	\$0.9138	\$0.9097	
30 Jun 2004	\$0.8943	\$0.8903	\$0.8863	\$0.0000
31 Mar 2004	\$0.7706	\$0.7671	\$0.7637	

Note: June prices are shown after impact of annual distribution.

Enquiries

A copy of the Fund's Product Disclosure Statement is available at www.techinvest.com.au or by contacting the Fund's Responsible Entity, Equity Trustees Limited, on (03) 8623 5000. Registry enquiries should be made to Computershare on 1300 553 481 or via email to TechInvest@computershare.com.au.

Important Information. Past performance is not a reliable indicator of future performance. This Monthly Letter does not constitute an offer or solicitation of an offer to purchase units in the Intercept Capital Fund.